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STAT

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File

Keep here
for today
Like Thursday
(5)-C Conference.

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CENTRAL INTELLIGENCE AGENCY

OFFICIAL ROUTING SLIP

	NAME AND ADDRESS	DATE	INITIALS
1	STAT 7D07 Headquarters	April 30	RMB
2			
3	C/BSD 5E47 Headquarters	3 May	BC
4			
5			
6			

	ACTION		DIRECT REPLY		PREPARE REPLY
	APPROVAL		DISPATCH		RECOMMENDATION
	COMMENT		FILE		RETURN
	CONCURRENCE		INFORMATION		SIGNATURE

Remarks:

Dick:

Attached is the annual transmittal received from the Civil Service Commission for signing or amending our hospitalization contract. We have reviewed this and have no problem with it, but we would appreciate your concurrence to our effecting this contract amendment.

STAT STAT

Imm.

FOLD HERE TO RETURN TO SENDER

FROM: NAME, ADDRESS	DATE
STAT C/BSD 5E47 Headquarters	4/12

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FORM NO. 2-61 237 Use previous editions (40)

U.S. GOVERNMENT PRINTING OFFICE : 1961 O—587282

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CENTRAL INTELLIGENCE AGENCY

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1	STAT 7D07 Headquarters		
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	APPROVAL		DISPATCH		RECOMMENDATION
	COMMENT		FILE		RETURN
	CONCURRENCE		INFORMATION		SIGNATURE

Remarks:

Dick:

Attached is the annual transmittal received from the Civil Service Commission for signing or amending our hospitalization contract. We have reviewed this and have no problem with it, but we would appreciate your concurrence to our effecting this contract amendment.

FOLD HERE TO RETURN TO SENDER

FROM: NAME, ADDRESS AND PHONE NO.	DATE
STAT C/BSD 5E47 Headquarters	

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UNITED STATES CIVIL SERVICE COMMISSION

BUREAU OF RETIREMENT AND INSURANCE

WASHINGTON, D.C. 20415

IN REPLY PLEASE REFER TO

RI:GJP:ig

YOUR REFERENCE

MAR 22 1965

STAT

President
Government Employees Health Assn., Inc.
Post Office Box 463
Washington 4, D.C.

STAT

Dear

Enclosed for your signature are two copies of the amendment of the contract (CS 1065) between the Government Employees Health Association, Inc. and the United States Civil Service Commission to be effective November 1, 1964.

The amendment has been delayed to give Mutual of Omaha time to submit a justification for the requested increase in the allowance for administrative charges of the underwriter. On the basis of the justification furnished, an increase in the allowance from 2% to 2.5% has been approved and is incorporated in the amendment.

The amendment accomplishes most changes by substituting revised pages for current pages in the contract. Persons maintaining a working copy of the contract can thereby keep it in a looseleaf form, bringing it up to date by substituting the new pages for the old and making minor changes in pen and ink.

Page 3 of the contract has been revised to reflect two of the changes in regulations. The first, in subsection 1.3(d) provides that a notice of termination should be sent to the employing office, with a copy to the employee, instead of the other way around as it has been heretofore. The second, in section 1.5, revokes the agreement not to advertise. Page 4 has been revised to show the new premium rates for both options and to eliminate, in section 1.7, the need for Commission review of conversion plans. Page 5 incorporates the amendment rider to Mutual's policy effective November 1, 1964, a copy of which is also attached.

Page 8 has been revised to incorporate the allowance of 1% of total subscription charges for administrative charges of the Association. The other amendments shown on the cover page merely change references to the regulations to agree with the numbering of the regulations, except for item 2(b) which changes the allowance for Mutual's administrative charges.

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If the amendment is satisfactory to you, I would appreciate your signing and returning the two copies to me promptly. When Mr. Ruddock has signed, I will send you an executed copy.

Sincerely yours,

Solomon Papperman, Chief
Contracts & Instructions Division

Enclosure

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STAT [redacted] copies sent to [redacted]

STAT GOVERNMENT EMPLOYEES HEALTH ASSOCIATION, INC [redacted]
(Federal Employees Health Benefits Program)

To [redacted] file

Contract No. CS 1065
(Amendment effective
November 1, 1964)

5/5/65

one copy to be returned

STAT The contract, which became effective July 1, 1960, by and between the Government Employees Health Association and the United States Civil Service Commission is hereby amended, effective November 1, 1964, as follows:

(1) Pages are deleted and added as listed below:

Pages to be deleted	Pages to be added
Page 3	Page 3 (R-11-64)
Page 4	Page 4 (R-11-64)
Page 5	Page 5 (R-11-64)
Page 8	Page 8 (R-11-64)
	Amendment Rider

(2) Other amendments:

(a) Page 1, Subsection 1.1(a) -- "Part 89" in second line is changed to "Part 890."
(b) Page 9, Section 4.5(a)(ii) -- Allowance for Administrative Charges of the Underwriter is changed from "2.0%" to "2.5%."
(c) Page 14, Section 7.1 -- "§89.14" is changed to "Sec. 890.205."

Executed at Washington, D.C., this 3rd day of May, 1965.

STAT [redacted]

President
(Title)

For: Government Employees Health Association, Inc.

Accepted at Washington, D.C., this _____ day of _____, 1965.

United States Civil Service Commission

By: _____
Andrew E. Ruddock
Director of the Bureau of
Retirement and Insurance

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STAT [redacted](d) The Plan will send a written notice of termination to the employing office of an employee or annuitant whose enrollment in the Plan is to be terminated because he is no longer a member of the sponsoring employee organization, with a copy to the employee or annuitant. The termination will become effective at the end of the pay period in which the notice is received by the employing office, subject to the temporary extension of coverage for conversion as provided by the Regulations.

Section 1.4 Evidence of Enrollment

(a) The Carrier will issue identification cards to employees and annuitants enrolled in the Plan.

(b) The Commission will prepare, after consultation with the Carrier, a brochure for the Plan which will contain a summary of the benefits to which covered persons are entitled and of the procedures for obtaining benefits. The Commission will also print and arrange for the distribution of the brochure.

Section 1.5 Advertising (Revoked)

Section 1.6 Charter, Constitution, and By-Laws

The Carrier will notify the Commission of any change in its charter, constitution, or by-laws which affects any provision of this contract or the Carrier's participation in the Federal Employees Health Benefits Program.

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Section 1.7 Conversion Policy

The Carrier will maintain on file with the Commission copies of the conversion plan or plans offered to persons whose coverage under this contract terminates and advise the Commission promptly of any changes in the plan(s).

Section 1.8 Premium

(a) The Carrier will, subject to adjustment for error or fraud, accept from the Commission, in payment of its total subscription charges under this contract for all covered persons, the enrollment charges for the Plan received by the Employees Health Benefits Fund (herein called the Fund) less the amounts set aside by the Commission for administrative and contingency reserves plus any payments made by the Commission from the contingency reserve in accordance with Sec. 4.3, Article IV, of this contract.

(b) Biweekly subscription charges, with appropriate adjustments for employees and annuitants paid on other than on a biweekly basis are as follows:

	High Option	Low Option
Self Only	$2.93	$1.43
Self & Family	$8.16	$3.94

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ARTICLE II - BENEFITS

Section 2.1 Benefits

Subject to any definitions, exclusions, limitations or other conditions imposed by this contract, the Plan will provide benefits for covered persons as set forth in a policy issued to the Carrier by the Mutual of Omaha Insurance Company, Omaha, Nebraska (herein called Underwriter) as amended effective November 1, 1964 by an amendment rider. A copy of the policy and rider are attached hereto and made a part hereof.

Section 2.2 Underwriter

The Carrier will not modify or terminate the policy issued by the Underwriter of the Plan or give notice of termination or intent not to renew the policy without prior express approval of the Commission.

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(b) If this contract is discontinued and there is a positive balance remaining in the Special Reserve after all health benefit charges plus the agreed-upon amount of administrative expenses for contract liquidation have been paid, such balance, including current income on the investment of such balance, shall be paid to the Commission for credit to the Fund within two years from the date this contract is discontinued.

Section 4.3 Payment from Contingency Reserve

Whenever, as of the end of any contract term, the total of the Special Reserve and reserves for accrued health benefits charges held by the Carrier for the plan amount to less than the total of the last five months' subscription charges paid from the Fund, the Carrier is entitled in the subsequent contract term to a payment of additional subscription charges in accordance with Section 890.503 of the Regulations.

Section 4.4 Health Benefits Charges

In determining the amount of health benefits charges incurred for item (b) in Section 4.1, there shall be included: (1) the paid charges, and (2) the accrued charges attributable to covered persons under this contract, equitably and reasonably determined on the basis of experience under this contract. On the basis of audit, such charges shall be subject to adjustments as agreed upon by the Carrier and the Commission.

Section 4.5 Expenses and Retention Charges

Schedule

Item	Amount
(a) Expense Charges	
(1) Administrative Charges, Organization	1% of total subscription charges in lieu of actual incurred expenses.

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OF OMAHA

AMENDMENT RIDER

This rider is attached to and made a part of Master Policy No. GMG-1799 and is subject to all provisions of the policy which are not in conflict with the provisions of this rider.

In consideration of the premium therefor, the following amendments are hereby agreed to effective November 1, 1964:

1. The Net Biweekly Premium shown in General Provision 7 on page 3 is amended to read as follows:

Net Biweekly Premium for Benefits Described in Plan of Insurance No. I

Protected person	$1.43
Protected person and one or more dependents	$3.94

Net Biweekly Premium for Benefits Described in Plan of Insurance No. II

Protected person	$2.93
Protected person and one or more dependents	$8.16

2. Exclusion (d) of General Provision 12 on page 4 is hereby deleted.

3. The Daily Room Limit shown in Plan of Insurance No. II on page 9 is amended to read:

Daily Room Limit $25.00

4. That portion of the MISCELLANEOUS HOSPITAL EXPENSE BENEFITS provision on pages 5 and 9 which reads "(excluding charges made for private or special nursing services or charges made for the attending doctor)" is amended to read "(excluding charges made for private or special nursing services or charges made for the attending doctor or take-home drugs billed by the hospital)".

5. The surgical procedures whose identifying symbols are shown below are hereby added to the SURGERY AND ANESTHESIA Schedule in Part B of Plan of Insurance No. II on the pages indicated, and any surgical procedure already in the Schedule with a corresponding identifying symbol is hereby deleted:

Page	Identifying Symbol	Procedure	Relative Value Units Surg.	Anes.
11	0192	Malignant tumors (small)	12.5	
11	0193	Malignant tumors (large)	12.5	
11	0252	Wounds, extensive, suture of recent wounds requiring closure (not plastic repair)		
		3 to 4 sutures	3.0	
		5 to 9 sutures	5.0	
		10 to 19 sutures	7.0	
		20 sutures or over	10.0	
14	0780	Humerus, surgical neck, simple, requiring manipulation with general anesthesia	30.0	6.0
15	0798	Radius, head, simple, closed reduction	15.0	4.0
15	0804	Radius, shaft, compound	23.0	4.0
15	0820	Radius and ulna, simple, closed reduction	20.0	
15	0842	Metacarpal, one, simple, closed reduction	8.0	4.0
15	0852	Phalanx or phalanges, one finger, or thumb, simple, closed reduction	8.0	4.0
15	0853	One finger, or thumb, compound	12.0	4.0
15	0881	Femur, shaft, including supracondylar, simple, closed reduction	40.0	6.0
15	0901	Tibia, shaft, simple, closed reduction	23.0	
16	0926	Tibia and fibula, shafts, simple, closed reduction	30.0	
16	0927	Compound with general anesthesia	40.0	7.0
16	0933	Ankle, bimalleolar (including Pott's), simple, closed reduction	23.0	
16	0934	Compound with general anesthesia	35.0	6.0
21	*1915	Excision of nasal polyp	5.0	
24	2445	Blood transfusion, indirect method	6.25	
24	2448	Blood transfusion, direct method	6.25	
32	4122	Circumcision, newborn (within 14 days)	3.75	
35	4644	Local excision of lesion of cervix in conjunction with dilation and curettage	15.0	4.0

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Page	Identifying Symbol	Procedure	Relative Value Units Surg.	Anes.
35	4646	Dilation and curettage of uterus (independent procedure), under general anesthesia.	15.0	4.0
35	4647	For removal of uterine polyps.	15.0	4.0

This amendment shall apply only to a surgical procedure performed on or after the effective date of this rider.

6. The number of Relative Value Units for delivery of child or children referred to in the section captioned OBSTETRICAL BENEFITS in Part B of Plan of Insurance No. II, on page 44, is increased from 16 to 20. This increase shall apply only to delivery occurring on or after the effective date of this rider.

MUTUAL OF OMAHA INSURANCE COMPANY

President

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